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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

BEST COPY AVAILABLE

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 1991

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

PROCESSED BY
18-18-I
MAY 28 1992

Commission file number 33-3201-D

LEVERAGE GROUP, INC.

(Exact name of registrant as specified in its

Microfilmed by
Q-Data Corp. - St. Petersburg, FL

Colorado	84-0991072
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
6555 NW 9th Ave. Ft. Lauderdale, FL	33309
(Address of principal executive officers)	(Zip Code)

(305) 772-2081

(Registrant's telephone number, including areas code)

7110 North University Drive, Tamarac, Florida 33321

(Former name, former address and former fiscal year, if change since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

YES ___ NO X

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class of Common Stock	Outstanding at December 31, 1991
No par value	347,205,639

LEVERAGE GROUP, INC. & SUBSIDIARIES

FORM 10-Q

QUARTER ENDED DECEMBER 31, 1991

CONTENTS

	PAGE
General	1
Market for the Registrant's Common Stock & Related Stockholder Matters	2
Selected Consolidated Financial Data	2
Management Discussion and Analysis of Financial Condition & Results of Operations	3
Consolidated Financial Statements	5
Notes to Consolidated Financial Statements	10

General business information

Leverage Group, Inc. ("Registrant" or "Leverage") was under the laws of the State of Colorado on July 3, 1985. Leverage was incorporated to evaluate the structure and complete a merger or acquisition with a private company as well as the acquisition and development of real property. In May 1986, the Registrant made an initial public offering of its common stock, which closed in September 1986. Pursuant to that offering, Leverage raised $200,000.

National Health Guard, Inc. ("NHC" or "Health Guard") is a wholly-owned subsidiary of Leverage. NHC was incorporated under the laws of the State of Florida in April 1987. On January 25, 1988, Leverage acquired all of the outstanding shares of Health Guard, then known as Blood Shield, Inc., in exchange for stock of Leverage. As a result of that transaction and his purchase of additional shares from certain of the principals of the Registrant, Mr. Margolin, Chairman of the Board and Vice President of Health Guard, became the owner of approximately 81% of Leverage's then issued and outstanding shares.

Health Guard was a development stage enterprise through fiscal year ending June 30, 1989, as defined by the financial Accounting Standards Board ("FASB") Statement No. 7, Accounting and Reporting by Development Stage Enterprises. The Registrant began active operations during the fiscal year ended June 30, 1990, specializing presently in autologous blood banking (the use of one's own blood), and production of blood components (fresh frozen plasma, recovered plasma, random platelets) for resale to the medical community. Health Guard also provides complete blood work-up services in its own clinical laboratory facility as well as semen storage.

G.I. Corporation ("GIC") is a wholly-owned, inactive subsidiary of Health Guard, whole primary business is the development of medical and pharmaceutical products. It was incorporated on January 20, 1987, in the State of Florida. GIC was also a development stage enterprise as defined above. GIC will devote substantially all of its efforts to establishing a new business whose planned principal operations have not commenced and, accordingly, minimal revenues have been derived therefrom.

MARKET FOR THE REGISTRANT'S COMMON STOCK and RELATED STOCKHOLDER MATTERS

The principal market for the Registrant's common stock is not on any exchange. The common stock of Leverage is traded over-the-counter.

Leverage is subject to the informational requirements of the Securities and Exchange Act of 1934 ('the Act") and, accordingly, is required to file reports and other information with the Securities and Exchange Commission. The Registrant has not been in compliance with such filing requirements, having not filed reports since March 1989. The Registrant currently is in the process of bringing itself into compliance with such filing requirements. However, there is no assurance that the Securities and Exchange Commission will not sanction or otherwise penalize the Registrant and/or its officers and directors.

Currently, there is no trading market made in the Registrant's stock. There can be no assurance that such trading market will be established or if established that it will be active enough to absorb the sale of a large amount of securities or that prices of the securities will be meaningful or desirable.

The Registrant has not paid dividends on its Common Stock since inception, nor does it plan to pay dividends in the foreseeable future. It is the Registrant's intent that any earnings, if and when realized, will be retained to finance future growth.

SELECTED CONSOLIDATED FINANCIAL DATA

The Registrant was a development stage enterprise, as defined by the Accounting Standards Board ("FASB") Statement No. 7, Accounting and Reporting by Development Stage Enterprises, until fiscal year end June 30, 1989. Leverage has not, from inception through June 30, 1990, generated any significant revenues, although revenues began increasing in June 1990, and as a result, the Registrant was no longer considered in the development stage.

The following table contains selected consolidated financial data the the date of inception (July 3, 1985) to June 30, 1988 and for each of the fiscal years ended June 30, 1991, 1990 and 1989 and for the six months ended December 31, 1991 (unaudited):

	Six months ended December 31, 1991 (unaudited)	JUNE 30, 1991	1990	1989	July 3, 1985 (inception) to 1988
Fee income	$ 264,976	$ 379,615	$ 39,837	$ 14,489	$ 8,902
Net loss	144,172	190,460	219,420	504,523	270,447
Net loss per share	(*)	(*)	(*)	(*)	(*)
Total assets	156,965	209,385	95,613	73,315	107,213
Long term obligations	8,000	8,000	11,250	-	-
Net capital deficiency	486,467	419,795	644,815	440,395	63,870
Shares outstanding	347,205,639	328,071,676	294,116,077	87,766,644	152,500,000

(*) less than $0.01 loss per share

MANAGEMENT DISCUSSION AND
ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Leverage is a publicly-held Colorado holding corporation. The Registrant began active operations during the fiscal year ended June 30, 1990, specializing presently in autologous blood banking (the use of one's own blood). National Health Guard also provides complete blood work-up services in its own clinical laboratory facility, as well as semen and ova storage.

National Health Guard, as the Registrant's principal operating entity, generates its income by providing these blood, semen and ova storage, laboratory and clinical services on a fee basis. Through June 1990, the Registrant has had only nominal revenues from its activities in storing blood, providing blood processing activities and its blood related laboratory activities. National Health Guard began generating significantly increased revenues during its June 30, 1991 fiscal year. However, there can be no assurances that its planned activities will result in profitable operations.

Capital Resources and Liquidity

The Registrant's ability to continue in operations is dependent upon its ability to obtain additional financing and/or obtain alternative capital which the Registrant requires to attain sufficient profitable operations and to meet its obligations. To this end, in December 1989, and as amended in December 1990, and again in March 1991, the Registrant had issued Private Placement Memorandums to obtain the financing that Management believes necessary to complement its business plan. Management is contemplating another Private Placement in the very near future, which will fund capital for purchase of equipment and working capital, thus enabling the Company to greatly expand operations into other major areas of the business. The Registrant must receive sufficient funds to accomplish its intended objective or to remain in operation for a sustained period of time. It is also possible that the Registrant will require additional financing beyond that covered in the Private Placement Offering. Management can provide no assurance that such additional financing can be obtained or even if available, that such additional capital will be available on terms acceptable to Leverage. To the extent that any such additional funding requirements cannot be fulfilled, the ability of Management to complement its business plan will be adversely affected.

Future

The goal of National Health Guard is to provide clients with properly collected, specially processed blood for autologous transfusion (transfusion of one's own blood).

The method of achieving this goal has already been determined by successfully opening separate drawing facilities outside the main laboratory. These drawing facilities will be formed through restrictive partnership programs soon to be announced. The Company is also presently negotiating an international program providing for distributorships of both National Health Guard products and knowledge and transfer agreements.

National Health Guard is currently pursuing various other avenues to establish itself in its primary business. For the succeeding fiscal year, the Registrant expects to manufacture and distribute the proprietary liquid nitrogen freezer for blood storage. The Company is seeking to establish a sales and distribution channel for the product world-wide. Management believes that the freezer sales will become a highly profitable business for the Company.

LEVERAGE GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 1991

ASSETS

CURRENT ASSETS	
Cash	$ 237
Accounts Receivable, Net (Note 2)	65,716
Inventory	16,746
Due from Officers and Employees	15,100
TOTAL CURRENT ASSETS	97,799
FURNITURE, FIXTURES AND EQUIPMENT	
Medical Equipment	79,634
Furniture and Fixtures	46,736
	126,370
Accumulated Depreciation	(76,935)
TOTAL FURNITURE, FIXTURES AND EQUIPMENT	50,435
OTHER ASSETS	
Patent	5,921
Other	2,810
TOTAL OTHER ASSETS	8,731
TOTAL ASSETS	$ 156,965

See accompanying notes to Consolidated Financial Statements

LEVERAGE GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 1991

LIABILITIES AND NET CAPITAL DEFICIENCIES

CURRENT LIABILITIES	
Current Portion of Notes Payable (Note 3)	$ 35,190
Accounts Payable and Accrued Expenses	206,227
Note Payable - Officer (Note 4)	45,450
Loan Payable (Note 5)	25,120
Loans Payable - Officers	323,445
TOTAL CURRENT LIABILITIES	635,432
NOTES PAYABLE (NOTE 3)	8,000
COMMITMENTS AND CONTINGENCIES (NOTE 7)	
NET CAPITAL DEFICIENCY	
Common Stock, no par value, 500,000,000 Shares Authorized, 347,205,639 Shares Issued and Outstanding	831,050
Paid-in Capital	11,537
Accumulated Deficit	(1,329,054)
TOTAL NET CAPITAL DEFICIENCIES	(486,467)
TOTAL LIABILITIES AND NET CAPITAL DEFICIENCIES	$ 156,965

See accompanying notes to Consolidated Financial Statements

LEVERAGE GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS

THREE AND SIX MONTHS ENDED DECEMBER 31, 1991

	Three Months	Six Months
FEE INCOME (Note 8)	$130,219	$264,978
OPERATING EXPENSES		
Salaries and Commission	76,616	144,164
Medical Supplies	47,582	74,330
Other Operating Expenses	11,400	20,760
ADMINISTRATIVE EXPENSES		
Payroll Expenses	38,700	70,362
Office and Occupancy Expenses	38,523	58,210
Other Administrative Expenses	16,099	32,854
OPERATING (LOSS)	(88,791)	(135,702)
OTHER ITEMS		
Interest Expense	5,043	(8,470)
NET LOSS	($ 93,744)	($144,172)

See accompanying notes to Consolidated Financial Statements

LEVERAGE GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES
IN NET CAPITAL DEFICIENCY

SIX MONTHS ENDED DECEMBER 31, 1991

	COMMON STOCK SHARES	COMMON STOCK AMOUNT	PAID-IN CAPITAL	ACCUMULATED DEFICIT
Balance as of June 30, 1991	328,071,676	$ 753,550	$ 11,537	$(1,184,882)
Issuance of Common Stock at $.0065, as part of a Private Placement dated 12/17/89 as amended	383,963	2,500		
Issuance of Common Stock at $.004 as part of a Private Placement dated 12/17/89 as amended	18,750,00	75,000		
Net Loss for the Six Months Ended December 31, 1991				(144,172)
Balance as of December 31, 1991	347,205,637	$ 831,050	$ 11,537	$(1,329,054)

See accompanying notes to Consolidated Financial Statements

LEVERAGE GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

SIX MONTHS ENDED DECEMBER 31, 1991

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net (Loss)	$(144,172)
Adjustments to Reconcile Net (Loss) to Net Cash Used By Operating Activities:	
Depreciation and Amortization	8,825
(Increase) Decrease In:	
Accounts Receivable, Net	38,390
Inventory	10,491
Due from Officers and Employees	(15,100)
Other Assets	(523)
(Increase) In Accounts Payable and Accrued Expenses	(36,165)
NET CASH USED BY OPERATING ACTIVITIES	(138,254)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of Furniture, Fixtures and Equipment	(5,277)
NET CASH USED BY INVESTING ACTIVITIES	
CASH FLOWS FROM FINANCING ACTIVITIES:	
Issuance of Common Stock	77,500
Proceeds of Loans Payable	84,700
Principal Repayments of Notes Payable	(30,783)
Principal Payment of Note Payable - Officer	(3,500)
NET CASH PROVIDED BY FINANCING ACTIVITIES	127,917
NET INCREASE/DECREASE IN CASH	(15,614)
CASH - BEGINNING	15,851
CASH - ENDING	237

See accompanying notes to Consolidated Financial Statements

LEVERAGE GROUP, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1991

NOTE 1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been presented on the basis of the continuation of Leverage Group, Inc. and subsidiaries as a going concern and do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

Organization

Leverage Group, Inc. (the Company) is a publicly-held Colorado corporation. The Company does business mainly through its wholly-owned subsidiary, National Health Guard, Inc. (previously Blood Shield, Inc.), whole primary business in the autologous storage of blood and the operation of a clinical laboratory.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and all of its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

Inventory

Inventory consists of supplies and is valued at the lower cost or market. Cost is determined on the first-in first-out method.

LEVERAGE GROUP, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1991

NOTE 1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Furniture, Fixtures and Equipment

Furniture, fixtures and equipment are stated at acquisition cost less accumulated depreciation. Expenditures for maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. Gains or losses on disposal are included in the results of operations.

Depreciation

Depreciation is computed by accelerated methods using various rates based generally on the estimated useful lives of the assets. The estimated useful lives are summarized as follows:

furniture and fixtures	5 to 7 years
Medical equipment	7 years

Statement of Cash Flows

For purposes of this statement, the Company considers all liquid investments with a maturity of three months or less to be cash equivalents.

Common Stock

Shares of common stock issued for other than cash have been assigned amounts equivalent to the fair value of the service or asset received in exchange.

Loss per share

Net loss per share have been computed on the basis of weighted average common shares outstanding. Fully diluted loss per share are not presented because the warrants are anti-dilutive.

NOTE 2. ACCOUNTS RECEIVABLE

Approximately 90% of the Company's receivables are due from Medicare and private insurers. Accounts receivable are stated net of an allowance for doubtful accounts of $34,000.

LEVERAGE GROUP, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1991

NOTE 3. NOTES PAYABLE

Notes payable as of December 31, 1991 consists of the following:

Bank credit line, with interest at 10%, collateralized by a Certificate of Deposit owned by an officer/shareholder	$27,360
Note payable, $339 monthly, including principal and interest at 10%, final payment due in 1994	11,250
Note payable, $1,000 monthly, including principal and interest at 10%, due September 4, 1991	4,580
	43,190
Less: Current Portion	35,190
	$ 8,000

Fiscal year ending:	
June 30, 1992	$35,190
June 30, 1993	5,000
June 30, 1994	4,000
	$43,190

LEVERAGE GROUP, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1991

NOTE 4. NOTE PAYABLE - OFFICER

Note payable-officer is unsecured and bears interest at 2% over the bank prime rate. Monthly payments of $500, plus interest are due through November 1992, with the remaining principal and interest due December 2, 1992.

NOTE 5. LOANS PAYABLE - OFFICERS

Loans payable-officers and employees are unsecured and bear interest at the annual rate of 10% and are due on demand.

NOTE 6. COMMON STOCK

Some of the issued and outstanding common shares of the Company are "restricted securities" under Rule 144 of the Securities Act of 1933. These shares must generally be held for a minimum of two years prior to resale. However, under certain circumstances, they may be sold before the minimum holding period.

The Company has 20,000,000 redeemable common stock purchase warrants outstanding. Each warrant entitles the holder to purchase one share of the Company's common stock at an exercise price of $0.04 per share. Each warrant may be called (redeemed) by the Company at any time, after thirty (30)days written or published notice, at a redemption price of $0.0001 per redeemable warrant, subject to the right of holders of the redeemable warrants to exercise their purchase rights between the date of any notice of redemption up to and including the redemption date given to the Company. The redeemable warrants expire on December 31, 1992.

NOTE 7. COMMITMENTS AND CONTINGENCIES

Facility lease

The Company leases its office and blood storage facilities under a Sixty-nine (69) month operating lease, expiring December 1, 1995. The lease provides for increases in minimum rental payments based upon increases in the Consumer Price Index. In addition, the lease provides for payments for maintenance and taxes.

NOTE 7. COMMITMENTS AND CONTINGENCIES (Continued)

Facility lease (Continued)

The following is a schedule, by year, of future minimum payment due under this non-cancelable lease at June 30, 1991:

1992	$ 25,670
1993	25,670
1994	25,670
1995	19,253
Total	$ 96,263

NOTE 8. COMPARATIVE INFORMATION

The comparative information for fiscal year 1990 has not been presented in the Statement of Operations and Cash Flows because it is not readily available and cost prohibitive to compile. It would not provide meaningful information because there was no meaningful revenue during the period.

NOTE 9. LEGAL PROCEEDINGS

On October 14, 1991, Steven Fine resigned as an officer and director of the Company. This resignation came after two other officers and directors of the Company filed a derivative action against Mr. Fine. Subsequently, Mr. Fine filed suit against the Company and its directors to compel the Company to issue stock pursuant to an alleged agreement. In addition, the suit seeks an unspecified amount of damages, including punitive damages for fraud. The Company is vigorously defending the action and believes that Mr. Fine is not entitled to the relief requested. However, if the court were to rule in Mr. Fine's favor, said result could have an adverse effect on the Company and would have a dilution effect on the present shareholders.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LEVERAGE GROUP, INC.

Dated: 5/10/92

By: _____
Ely Margolin
Chairman of the Board